Affordable Care Act (ACA) Information Returns (AIR)

Working Group Meeting

April 26, 2016

General Affordable Care Act Information Returns (AIR) Program Topics

General AIR information

Important things to know about electronically filing ACA Information Returns:

- Affordable Care Act Information Returns (Forms 1094-B, 1095-B, 1094-C and 1095-C) must be filed using "AIR" (Affordable Care Act Information Return System) – ACA Information Returns may not be filed using FIRE.

- Acceptable Format for Transmission is XML (Returns will not be accepted electronically in any other format).

- Tax Year 2015 returns:

  - Filing began January 21, 2016.
  - Corrections will be required.
  - No penalties for incorrect or incomplete information where good faith efforts to comply were made.
  - Returns must be furnished to recipients by March 31, 2016
  - Electronic returns must be filed by June 30, 2016. This is an automatic extension
  - Mandatory electronic filing for 250+ returns. Less than 250 can be electronically filed

- Routine maintenance is scheduled from 12:00 a.m. to 8:00 a.m. every Sunday

- Software Developers, Transmitters, and Issuers should contact the Help Desk at 1-866-937-4130 for assistance in the following areas:

  - ACA Application for Transmitter Control Code (TCC)
  - ACA Assurance Testing System (AATS) or Communication Testing
  - Transmission issues
  - Rejects

General AIR information

AIR Publication resource list

- o Publication 5164, *Test Package for Electronic Filers of Affordable Care Act (ACA) Information Returns (AIR)*

- o Publication 5165, *Guide for Electronically Filing Affordable Care Act (ACA) Information Returns for Software Developers and Transmitters*

- o The AIR Submission Composition and Reference Guide

- o The Automated Enrollment Guide

General AIR information

Affordable Care Act Assurance Testing System (AATS)

- o Scenario based testing
- o Not Secure: Do not send live taxpayer data into the AATS environment.
- o Mimics production environment, however, not meant to process large test files.
- o Not used for performance testing.
- o Does not validate TINs.
    - ▪ Uses EIN/SSN and Name Control ranges provided in Publication 5164.

For Production Name and SSN Validation Issues

General AIR information

Apostrophe's – The apostrophe is not allowed in AIR.

- However the escaped apostrophe (&apos) is allowed *except* in an Individual's name.

  - For example, if a record has a last name data field containing an apostrophe, such as **"O'Malley"**, the transmission cannot include the apostrophe or the escaped apostrophe characters. The apostrophe must be stripped and the last name data must be entered as **"OMALLEY"**. The transmission will be rejected, if the apostrophe is used.

General AIR information

Error Code AIRTN500 – TIN Validation Failed.

- This means an Individual Name and Social Security Number does not match IRS database. The Error Data File will only identify the "UniqueRecordID in the submission that has a TIN Validation Error and not the specific Name or SSN of the Individual that caused the error.

  - Note: For Tax Year 2016, the Service is modifying the error message to provide more details of the specific individual that caused the error.

General AIR Mailbox information

Mailbox purpose: Provide technical assistance with the transmission of AIR data to the IRS.

Answer technical questions related to:

o Publication 5164

o Publication 5165

o The AIR Submission Composition and Reference Guide

o Automated Enrollment Guide

o WSDLs

o Schema

o Transmission File review

o Transmission errors

General AIR Mailbox information

What to expect from the AIR mailbox

o   Issues worked first in first out

o   Acknowledgment of inquiry received within 24 hours (excluding Saturday, Sunday and Federal Holidays)

o   Response to inquiry within 7 business days, if possible or an interim response is sent advising additional time for research is needed

o   Continued contact until customers' transmission is accepted or accepted with errors.

Requests for outreach support with IRS IT

o   All requests are acknowledged

o   AIR mailbox team will coordinate outreach when appropriate.

General AIR Mailbox information

What can you do to expedite service….

o Have a working knowledge of AIR Publications

o For AATS transmission issues, provide manifest file (but mask or delete the EIN), form data file and error code messages or screenshots with initial contact to the AIR mailbox

o For Production transmission issues, provide manifest file (but mask or delete the EIN), receipt ID, and error code messages or screenshots with initial contact to the AIR mailbox.

o Avoid hypothetical scenarios

o Indicate in either the body of your email and/or the email Subject line if the inquiry is about AATS or Production .

o Reminder - Only test data should be sent through AATS. Do **not** send live taxpayer data to the mailbox.

Help Desk

The Help Desk provides customer support for the following:

- Registration and confirmation process for e-services for Responsible Officials and Contacts

- ACA Application for a Transmitter Control Code (TCC) process
  - Navigation of the ACA Application for a TCC
  - Modification/Updates of the ACA Application TCC
  - Production/Test Status

- Assurance Testing for Software Developers and Transmitters
  - AATS Testing review and feedback

- Transmission/ Acknowledgement status

- Business Rules/Error Code resolution

  Note: The Help Desk does not support Tax law , refer to irs.gov Affordable Care Act (ACA) Tax Provisions

Help Desk

- Each inquiry received is documented into a customer support system.
- To assist in the resolution of your inquiry, you may be asked for one or more of the following:
    - TCC
    - EIN (Transmitter/Issuer)
    - Legal Name
    - Business Rules/Error Codes
    - Receipt ID
    - Date of Transmission
- The Help Desk goal is to answer inquiries on first contact; however, complex issues are elevated for further investigation for resolution to different Provider Groups.
- AATS review is not conducted over the phone. The assistor will document your request and provide you with a Incident number. This ensures your request for review is worked first in and first out. When the review is completed, you will be contacted with the results.

Help Desk

- If you contacted the Help Desk and the inquiry falls in scope of the AIR Mailbox, the Help Desk escalates the case to the AIR Mailbox for resolution.

  - **Note:** There is no need to send your request to the AIR Mailbox if your inquiry has been escalated.

- The escalation process, decreases duplicate requests, provides one stop service and provides resolution in a efficient manner. The AIR Mailbox will follow their normal procedures.

Help Desk Reminders

- All Responsible Officials and Contacts need to Register and confirm your registration in e-Services before the application for TCC can be submitted.

- Ensure your ACA Application for TCC is kept up to date

- Software Developers should ensure their transmission has been Accepted before contacting the help desk for their testing results.

- Review the answer key located on irs.gov before submitting your test scenarios. The answer keys are provided for your convenience, if your test does not contain all of the information shown in the answer key, your submission has not passed AATS testing.

- Once you have passed AATS testing and your Software Package is placed in production , allow 48 hours before transmitting into the AIR production environment.

- When submitting to Production, be sure to use your Transmitter or Issuer TCC, as appropriate.

- Review Pub 5164 and Pub 5165 for Acknowledgement Status and actions needed.

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ACA Non-Technical Questions

Question #1: What forms must an ALE file to be in compliance in 2016 with the Information Reporting regulations?

IRS Response #1: Beginning in 2016, ALEs using the general method of reporting will file a Form 1094-C, *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*, and corresponding Forms 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, with the IRS, and provide a copy of the Form 1095-C, (or a substitute) to each individual who was a full-time employee for one or more months in 2015.

For more information, see the Basics of Employer Reporting section in the Questions and Answers about Information Reporting by Employers on Form 1094-C and Form 1095-C FAQs (https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C) and the Instructions for Forms 1094-C and 1095-C (https://www.irs.gov/pub/irs-pdf/i109495c.pdf).

ACA Non-Technical Questions

Question #2: For 2016, must an ALE file a Form 8809, *Application for Extension of Time to File Information Returns*, to receive an automatic extension of time to file the required information returns?

IRS Response #2: No. An ALE is not required to file a Form 8809 because the due dates were extended more than 30 days by the IRS in Notice 2016-4.The extended due date for filing electronic returns is June 30, 2016 and May 31, 2016 for paper returns. The due date for furnishing Form 1095-C was also extended to March 31, 2016.

For more information, see Notice 2016-4 (https://www.irs.gov/pub/irs-drop/n-16-04.pdf), Instructions for Forms 1094-B and 1095-B (p. 3) (https://www.irs.gov/pub/irs-pdf/i109495b.pdf), Instructions for Forms 1094-C and 1095-C (p. 3) (https://www.irs.gov/pub/irs-pdf/i109495c.pdf), and details on IRS.gov/aca (https://www.irs.gov/Affordable-Care-Act/IRS-Extends-Due-Dates-for-New-2015-Information-Reporting-Requirements).

ACA Non-Technical Questions

Question #3: **When is a filer required to file its information returns electronically?**

IRS Response #3: A filer is required to file information returns electronically if it has 250 or more information returns to file. The 250-or-more requirement applies separately to each type of form, for example a 1095-B and a 1095-C form would be counted separately.

For more information, see Publication 5165, *Guide for Electronically filing ACA Information Returns (AIR) for Software Developers and Transmitters* (https://www.irs.gov/pub/irs-pdf/p5165.pdf), the AIR webpage at (https://www.irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Affordable-Care-Act-Information-Return-AIR-Program) in the Program Overview section, Instructions for Forms 1094-B and 1095-B (p. 4) (https://www.irs.gov/pub/irs-pdf/i109495b.pdf) and Instructions for Forms 1094-C and 1095-C (p. 3) (https://www.irs.gov/pub/irs-pdf/i109495c.pdf).

ACA Non-Technical Questions

Question #4: If a filer required to file electronically determines that it will be unable to do so, what steps should the filer take?

IRS Response #4: The filer must file a Form 8508, *Request for Waiver from Filing Information Returns Electronically*, with the IRS at least 45 days before the due date of the returns. (https://www.irs.gov/pub/irs-pdf/f8508.pdf).

For more information, see Instructions for Forms 1094-B and 1095-B (p. 4) (https://www.irs.gov/pub/irs-pdf/i109495b.pdf) and Instructions for Forms 1094-C and 1095-C (p. 3) (https://www.irs.gov/pub/irs-pdf/i109495c.pdf).

ACA Non-Technical Questions

Question #5: Must an ALE show the entire SSN of individuals on the Form 1095-C furnished to employees?

IRS Response #5: No. Filers of Form 1095-C may truncate the social security number (SSN) of an individual (the employee or any family member of the employee receiving coverage) on Form 1095-C statements furnished to employees by showing only the last four digits of the SSN and replacing the first five digits with asterisks (*) or "X"s. Truncation is not allowed on forms filed with the IRS.

For more information, see Reg. sections 1.6055-1(g)(3) and 301.6056-1(f)(2) and Page 5 of the Instructions for Forms 1094-C and 1095-C (https://www.irs.gov/pub/irs-pdf/i109495c.pdf).

ACA Non-Technical Questions

Question #6: Must an issuer show the entire SSN of individuals on the Form 1095-B furnished to recipients?

IRS Response #6: No. Copies of Form 1095-B furnished to recipients may include a truncated SSN or other TIN, if applicable, of the statement recipient and covered individuals by showing only the last four digits of the SSN or other TIN and replacing the first five digits with asterisks (*) or Xs. Copies of Form 1095-B furnished to recipients also may include a truncated EIN of an employer reported in Part II. Truncation of TINs, including EINs, is not allowed on returns filed with the IRS.

For more information, see Reg. section 1.6055-1(g)(3) and Notice 2015-68 (https://www.irs.gov/pub/irs-drop/n-15-68.pdf) and page 5 of the Instructions for Forms 1094-B and 1095-B. Also, see page 6 of the instructions regarding Line 2 for additional information about reporting the SSN of the responsible person. (https://www.irs.gov/pub/irs-pdf/i109495b.pdf)

ACA Non-Technical Questions

Question #7: Are there specific requirements for the envelope used to mail the Form 1095-B or Form 1095-C furnished to recipient?

IRS Response #7: No

Question #8: May an ALE provide a substitute Form 1095-C furnished to employees to accommodate window envelopes?

IRS Response #8: Yes. Publication 5223 addresses substitute forms and provides that the forms furnished to the recipient may be in portrait or landscape format which should allow for various window envelopes.

For more information, see section 1.1 of Publication 5223 (https://www.irs.gov/pub/irs-pdf/p5223.pdf).

ACA Non-Technical Questions

Question #9: Will an ALE with 50-99 FTEs owe an Employer Shared Responsibility payment under section 4980H(a) or (b) for any calendar month in 2015?

IRS Response #9: No, provided certain conditions are met.

For more information on the transition relief available in 2015, see the Transition Relief section of the Questions and Answers on Employer Shared Responsibility Provisions Under the Affordable Care Act (https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act).

ACA Non-Technical Questions

Question #10: Is this transition relief available for ALEs with 50-99 FTEs available for any calendar month in 2016?

IRS Response #10: No, other than the limited availability for ALEs with non-calendar plan years that began in 2015.

For more information on the transition relief available in 2015, see Transition Relief section of the Questions and Answers on Employer Shared Responsibility Provisions Under the Affordable Care Act (https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act).

Question #11: Must an ALE with 50-99 FTEs eligible for this transition relief file the 2015 Forms 1094-C and 1095-C for its full-time employees?

IRS Response #11: Yes. For more information about the filing requirements, see Information Reporting by Applicable Large Employers (https://www.irs.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Applicable-Large-Employers).

ACA Non-Technical Questions

Question #12: If a rejection occurs when electronically filing through AIR, when must a replacement file be refiled?

IRS Response #12: It is the filer's responsibility to check the status of the file. If a timely-filed electronic file is rejected, the filer will have up to 60 days from the day the file was transmitted to submit an acceptable replacement file that will be treated as timely filed. If an acceptable replacement file is not received within 60 days, the payer could be subject to late filing penalties.

Questions from March Webinar

Question #1: If Java is being used to create the XML files, is a software ID required?

IRS Response #1: SoftwareID is a required element**.**

Question #2: why do you fail the uppercase XML as the extension?

IRS Response #2: The .xml extension must be lowercase as defined by the schema. The allowed format of the attachment name is case-sensitive.

Question #3: Regarding browser support, is Microsoft Edge supported?

IRS Response #3 No. The Microsoft Edge browser is not supported.

Question #4 Can someone tell me where to get the link to log in and submit Test Scenarios?

IRS Response #4: The link to login and submit Test Scenarios is on the AIR Program page. You can reach this page by typing "AIR" in the IRS search field. Please read the information on the registration requirements (eServices and AIR TCC) before transmitting scenarios

Questions from March Webinar

Question #5: I am a small school district and prepared our 1095-C forms for our employees. Does the IRS provide the software in order to file the forms electronically

IRS Response #5: No, the IRS does not provide software to file the ACA Information Returns electronically.

Question #6: If the insurer is submitting returns using the UI method, does the TCC role need to be Developer or Issuer?

IRS Response #6: The channel (UI or A2A) is not specific to a role. The roles are specific to what is being transmitted. If you submitting a test submission to AATS for Software Developer testing, you should use the Software Developer TCC. If you are submitting a live data, you must use the Issuer role.

Questions from March Webinar

Question #7: The description for testFileCd in XSD says the following.

    <DescriptionTxt>Shows if the submission is a Test or not.Enter a T if it is a test file otherwise blank</DescriptionTxt>

We left it blank for production. Now it seems we need to put P instead of blank. Could you update the description in the next release of XSD? This will help greatly.If a filer required to file electronically determines that it will be unable to do so, what steps should the filer take?

IRS Response #7: The TestFileCd element is a required element, and the only possible values are "T" (AATS) or "P" (Production). A blank value will cause the transmission to be rejected.

Questions from March Webinar

Question #8: Can you explain the difference between replacement and correction?   Is there a difference?

IRS Response #8: A Replacement is used when an entire transmission is Rejected by AIR, or if a submission within a transmission, is rejected. The entire transmission or the entire submission will be retransmitted to replace the original filing.

A Correction is used when a submission within a transmission, has been Accepted or Accepted with Errors. One or more forms needs to be retransmitted as a Correction to fix an error.

Question #9: Are there step by step instructions on how to test your file and then once it passes testing how to put it into production? If so, where are the instructions?

IRS Response #9 Please refer to Publication 5164 for the requirements needed to successfully passed AATS testing. Please refer to Publication 5165 provides the guidance needed to transmit returns electronically through AIR system. Both of these publications can be found on the AIR Program webpage on irs.gov.

Questions from March Webinar

Question #10: Who, generally, acts as the responsible officer? Is there a role that makes the most sense for this responsibility?

IRS Response #10: The **responsible official** listed on the ACA Application for Transmitter Control Code (TCC) and the person listed on Lines 15 and 16 of Form 1094-C of the person to contact **who is responsible for answering any questions related to the Form 1094-C** are not necessarily the same person. The **responsible official** is someone responsible for oversight of the electronic filing for a company, see Table 3-2 of Publication 5165 for more information on the titles based on types of entity. The person listed on the Form 1094-C must have knowledge of the information contained on the form.

Questions from March Webinar

Question #11: I am seeking step-by-step or guidance on how to START the filing. Is it CORRECT that personal (not business) registration is required to file online?

IRS Response #11: There are several guides and publications that will be helpful and can be found on the Affordable Care Act Information Returns (AIR) Program website under the title AIR Publications / Guides Tax Year 2015.

The application to obtain a TCC begins with the Responsible Official and Contacts registering for e-Services. More information on the registration process can be found on irs.gov under Registration Services.

Question #12: The Communication test scenarios are specific to Employer and Employee names and information - should we be using verbatim or our own specific data??

IRS Response #12: When using the scenario information you should use the information as it appears in the narrative, however, you are able to build you own scenarios using the information contained in Publication 5164, Tables 2-1 and 2-2.

Q & A

Non-Technical Online Resources

Topic	Details	Source
ACA Tax Law	IRS ACA Homepage	irs.gov/aca
	4980H – Employer Shared Responsibility Provisions	http://www.irs.gov/Affordable-Care-Act/Employers/Employer-Shared-Responsibility-Provisions
	4980H Q&As	http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act
	4980H Recorded Webinar	http://www.irsvideos.gov/IRSACA_ESRP_Webinar_2015_0618
	6056 Information Reporting Overview	http://www.irs.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Applicable-Large-Employers
	6056 Information Reporting Q&As	http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Reporting-of-Offers-of-Health-Insurance-Coverage-by-Employers-Section-6056
	6056 Recorded Webinar	http://www.irsvideos.gov/ACAInformationReportingLargeEmployersIRC6056
	6055 Information Reporting Overview	irs.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Providers-of-Minimum-Essential-Coverage
	6055 Information Reporting Q&As	irs.gov/Affordable-Care-Act/Questions-and-Answers-on-Information-Reporting-by-Health-Coverage-Providers-Section-6055
	6055 Recorded Webinar	http://www.irsvideos.gov/IRSACA_IRMEC_Webinar_2015_0618/
	Legal Guidance and Other Resources	irs.gov/Affordable-Care-Act/Affordable-Care-Act-of-2010-News-Releases-Multimedia-and-Legal-Guidance
	e-File Overview	irs.gov/Businesses/Corporations/e-file-Affordable-Care-Act-Information-Reports

Additional Non-Technical Online Resources

Topic	Details	Source
Forms and Instructions	2015 Form 1094-B	http://www.irs.gov/pub/irs-pdf/f1094b.pdf
	2015 Form 1095-B	http://www.irs.gov/pub/irs-pdf/f1095b.pdf
	2015 Instructions 1094/1095-B	http://www.irs.gov/pub/irs-pdf/i109495b.pdf
	2015 Form 1094-C	http://www.irs.gov/pub/irs-pdf/f1094c.pdf
	2015 Form 1095-C	http://www.irs.gov/pub/irs-pdf/f1095c.pdf
	2015 Instructions 1094/1095-C	http://www.irs.gov/pub/irs-pdf/i109495c.pdf
Regulations	4980H Final Regulations	http://www.gpo.gov/fdsys/pkg/FR-2014-02-12/pdf/2014-03082.pdf
	6055 Final Regulations	http://www.gpo.gov/fdsys/pkg/FR-2014-03-10/pdf/2014-05051.pdf
	6056 Final Regulations	http://www.gpo.gov/fdsys/pkg/FR-2014-03-10/pdf/2014-05050.pdf

Technical Online Resources

Topic	Details	Source
ACA Information Returns (AIR) Program	AIR Homepage	irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Affordable-Care-Act-Information-Return-AIR-Program
	Working Group Meeting Details	irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Affordable-Care-Act-Information-Returns-AIR-Program-Overview
	AIR Transmission Checklist	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/AIR%20AATS-Production%20Submitter%20Transmission%20Checklist.pdf
	AIR Mailbox – *Technical Inquiries Only*	airmailbox@irs.gov
	Subscribe to Quick Alerts	http://www.irs.gov/Tax-Professionals/e-File-Providers-&-Partners/Subscribe-To-Quick-Alerts
Technical Artifacts for TY 2015	Schemas and Business Rules	https://www.irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Tax-Year-2015-Schemas-and-Business-Rules-for-Affordable-Care-Act-Information-Returns-AIR
	Publication 5164 Phase II	https://www.irs.gov/pub/irs-pdf/p5164.pdf
	Publication 5165	https://www.irs.gov/pub/irs-pdf/p5165.pdf
	AIR Submission Composition and Reference Guide	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/AIR%20Submission%20Composition%20and%20Reference%20Guide%20TY2015.pdf